



PEEHIP

Quarterly



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PUBLIC EDUCATION EMPLOYEES' HEALTH INSURANCE PLAN

June 2008

Open Enrollment and Insurance Premium Rate Information

The PEEHIP Board voted in May to keep out-of-pocket premium rates for active and retired members at the same level as the premium rates for the 2007-2008 plan year. Members who retired on or after October 1, 2005, may experience rate adjustments because their premiums are subject to the sliding scale. Sliding scale premiums are based on years of service and the cost of the insurance program.

Active members who are not tobacco users will continue to pay \$2 per month for single hospital medical coverage and \$134 per month for family hospital medical coverage. The \$775 monthly allocation amount that is currently funded by the Education Trust Fund (ETF) for each active employee will decrease to \$752 per employee, per month effective October 1, 2008, pending passage of the Special Education Trust Fund in a Special Session.

Tobacco Surcharge

The monthly tobacco premium for a covered member or spouse will increase to \$23 per month on October 1, 2008. The PEEHIP Board approved a tobacco surcharge policy that will raise the tobacco premium each year by the same percentage as the medical inflation rate. The tobacco surcharge only applies to the hospital medical and HMO plans and not the optional plans.

COBRA and Leave of Absence Rates

Effective October 1, 2008, the monthly premium for members enrolled in COBRA or on a leave-of-absence plan will increase to \$365 per month for the single hospital medical coverage and \$868 per month for the family coverage.

VIVA HMO Changes

Beginning October 1, 2008, PEEHIP members enrolled with VIVA Health HMO will automatically switch to Delta Dental instead of Comp Benefits for the dental benefits. You do not need to fill out a new enrollment form to be covered and your premium will not change. Members will receive a new Delta Dental ID Card shortly after their effective date. Please contact Delta Dental Customer Service at 800-521-2651 for claims and benefit inquiries or visit www.deltadentalins.com.

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It's Fast, Free, Secure and Accurate!

PEEHIP's New & Improved Member Online Services System!

The RSA has been very busy this year developing a **new and improved Member Online Services system** for the RSA and PEEHIP members. Members can access the **new and improved** online system beginning July 1, 2008, by clicking the **Member Online Services** link on the new RSA Web site address at www.rsa-al.gov. This new online system allows PEEHIP members to easily and efficiently change and/or enroll in health insurance coverage and flex accounts. It even calculates your PEEHIP premium based upon the coverages you elected so that you will know what your premium will be prior to electronically submitting your enrollment or change form!

Members can also quickly update various other PEEHIP forms and information online without having to go through the entire enrollment application or status change form process. You also have the ability to view current health insurance coverage and view and update personal contact information online.

A **confirmation number**, a date and time stamp, and a copy of the electronically submitted form are given to the member at the completion of successfully enrolling, changing and/or updating their health insurance, contact information, and/or other forms online.

The new Member Online Services system will be available through the **entire Open Enrollment period of July 1, 2008, through September 10, 2008**. After midnight on September 10, 2008, the online system will close for Open Enrollment changes. However, all active and retired members will still have the ability to view their current PEEHIP insurance coverage, view their employment data, and view and update their personal or demographic information such as address, email address, phone number, and marital status.

No more paper forms, envelopes, stamps or last minute runs to the post office when you use the RSA's Member Online Services system! All you need is a User ID and Password to begin using the Member Online Services System. If you do not already have these, registering for an account is easy! The link given above will guide you through the necessary steps to set up your account and User ID and Password to access the online services. The RSA and PEEHIP continually strive to improve the services we provide to our members. **Use our electronic Member Online Services system and we all benefit in terms of greater efficiency and effectiveness as well as savings in time and costs!**



PEEHIP Worksite Wellness Overview

PEEHIP works in cooperation with the Alabama Department of Public Health (ADPH) to offer a statewide Worksite Wellness Program for PEEHIP covered participants. Members and dependents covered by the PEEHIP hospital medical plan, HMO or optional plans will continue to receive free health screenings by the Public Health Department nurses at different sites during the year. The Worksite Wellness Program is intended to assist employees and their families in making voluntary behavior changes which reduce their health risk and enhance their individual productivity.

Tobacco Cessation Quitline

A smoking cessation toll-free Quitline (800-784-8669) is available 24 hours a day providing live counseling from 8:00 a.m. until 8:00 p.m. Monday through Friday. The call volume for October 1, 2006 through September 30, 2007 was 44,384. The 30 day quit rate for September 2007 was 49.42%, meaning 49.42% of the clients in this group who completed four sessions of counseling verified that they have sustained their abstinence from tobacco 30 days from their quit date.

Weight Watchers

PEEHIP offers the Weight Watchers At Work Program to active and retired members throughout the state. The 15 week sessions are available in every county in which there are enough participants with class sizes ranging from 20-30 persons. PEEHIP members must have a body mass index of 25 or greater to participate in the Weight Watchers at Work Program.

Results of Weight Watchers' Classes

(October 1, 2006 through September 30, 2007)

Enrollment: 2,652

Classes: 145

Weight loss reported:

2,124 participants lost 33,719 lbs.

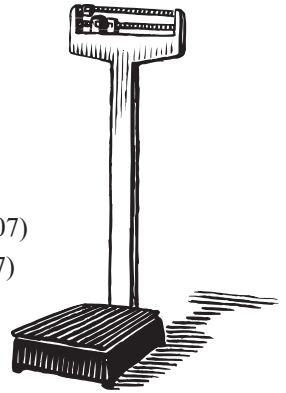
(October 1, 2007 through April 1, 2008)

Enrollment: 3,527 (33% increase over 2007)

Classes: 196 (35% increase over 2007)

Weight Loss reported to date:

1,242 participants lost 16,573 lbs.



New Prescription Drug Changes Effective October 1, 2008

Prior Authorization Requirements

Effective October 1, 2008, new prescriptions for the medications **Byetta, Symlin, Fentora, and Seroquel** will require a prior authorization from the physician before the medications will be covered by PEEHIP. This prior authorization process is necessary to prevent members from using the medications for non-FDA approved indications. These drugs will only be covered for the FDA-approved medical conditions and will not be approved for such off label use for weight loss, athletic performance enhancement as well as for pain management, insomnia, and headaches.

Quantity Level Limit (QLL) Requirements

Effective October 1, 2008, the PEEHIP Board extended the quantity level limit program to the following medications: **Enbrel, Humira, Actiq, Fentora, Oxycontin, Migranal, Imitrex, and Zomig**. The quantity level limit feature in the prescription drug plan is necessary to ensure the prescription drugs are prescribed in a safe manner to prevent our members from obtaining a quantity that does not meet the FDA guidelines and to prevent abuse and misuse of these prescription drugs. **Actiq, Fentora, and Oxycontin** are Schedule II narcotics and are prescribed for patients with chronic illnesses such as cancer to prevent breakthrough cancer pain. **Enbrel and Humira** are prescribed to treat inflammatory disorders. **Imitrex, Migranal, and Zomig** are prescribed to treat migraine headaches.

Expansion of the Step Therapy Program

The PEEHIP Board approved eight new drug classes to be included in the Step Therapy drug program. Step therapy is organized in a series of steps with your doctor approving your medications every step of the way. The first step drugs are usually the therapeutically equivalent generic drugs, and the second step drugs are generally the brand name drugs.

The expansion of the PEEHIP Step Therapy program will apply to new prescriptions written on or after October 1, 2008. Anyone who is currently on the brand name medications will be grandfathered in and will not be subject to the step therapy process if there has not been more than a 130-day lapse in the purchase dates. More information is located on the RSA Web site.

Drug classes and examples of the medications that will be part of the expansion of the PEEHIP Step Therapy program on October 1, 2008, are shown on the following chart.

Step Therapy Program Name	Indication	If the prescription is for one of these targeted step drugs:	Try one of these first step drugs:	This program will grandfather current utilizers as well as new utilizers with:
Lyrica	Nerve pain, Seizures, Fibromyalgia	Lyrica	gabapentin (generic for Neurontin)	Prior use of gabapentin (60 day trial required), seizure medications, or diabetic medications in the last 130 days
Nasal Steroids	Allergies	Rhinocort Aqua, Beconase AQ, Nasacort AQ , Nasarel, Nasonex , Flonase, Veramyst	fluticasone propionate (generic for Flonase) flunisolide (generic for Nasarel)	Prior use of 1 first step medication in the last 12 months
Non-sedating Antihistamines (NSA) and Decongestants (D)	Allergies	Clarinet, Clarinet-D, Allegra-D, Allegra, Xyzal	fexofenadine (generic for Allegra)	Prior use of 1 first step medication in the last 12 months
Leukotrienes <i>Updated lookback period</i>	Allergies	Singulair	nasal corticosteroid AND Antihistamine/Decongestant (Must try both before brand name can be approved)	Prior use of 1 first step medications in the last 12 months (previously 130 days)
Overactive Bladder (OAB)	Overactive Bladder	Detrol, Detrol LA, Sanctura, Vesicare , Enablex, Oxytrol, Ditropan, Ditropan XL	oxybutynin IR (generic for Ditropan) oxybutynin XL (generic for Ditropan XL)	Prior use of 1 first step medication in the last 130 days
Avodart	Urinary retention due to Benign Prostatic Hypertrophy	Avodart, Proscar	finasteride (generic for Proscar)	Prior use of 1 first step medication in the last 130 days
Bisphosphonates <i>Enhanced</i>	Osteoporosis (Condition of bone loss)	Boniva	alendronate (generic for Fosamax), <i>then a formulary brand such as Actonel, Actonel Plus Calcium, Fosamax Plus D</i>	Prior use of 1 first step medication in the last 130 days. This is a 3-step enhanced program.
Tektur	Hypertension	Tektur	<u>ACE INHIBITORS:</u> Generics: Captopril; Enalapril; Lisinopril; Moexipril; Fosinopril, Benazapril, Quinapril, Trandolapril, Ramipril Brands: Capoten; Vasotec®;; Prinivil®, Zestril®, Univasc®, Lotensin®; Monopril®; Accupril®; Aceon®; Altace®; Mavik® <u>ACE INHIBITOR COMBINATIONS:</u> Generic combinations: Captopril/HCTZ; Enalapril/HCTZ; Lisinopril/HCTZ; Benazapril/HCTZ; Quinapril/HCTZ; Fosinopril HCT; Moexipril/HCTZ; Benazepril/Amlodipine Brand combinations: Capozide; Vaseretic; Prinzide; Zestoretic; Lotensin HCT; Accuretic; Monopril HCT; Uniretic; Lexxel; Lotrel; Tarka	Prior use of 1 first step medication or ARB/combo in the last 130 days. There are other generics available that are proven to be beneficial in high risk patients.

Key: Bold font indicates formulary brands; lower case font indicates generics

Generic Drugs: Safe, Effective, Affordable

Generic drugs are commonly prescribed and are less expensive treatments. They are safe and effective in treating many medical conditions. A generic drug contains the same active ingredients in the same dosage forms and strengths as the brand name drug. Since they have the same active ingredients, generic drugs can be used by patients of all ages to achieve the same medical effects of brand name drugs. When you choose a participating pharmacy, you pay only a \$5 copayment for any generic prescription drug, as compared to paying a \$30 or \$50 copayment for any covered preferred or non-preferred brand drug.

Talk with your doctor or pharmacist to see if a generic drug is right for you. By choosing a generic medication, you save on your prescription copayment, get the same quality and effectiveness as that of a brand name drug, and help PEEHIP keep medical care more affordable for all of our members. PEEHIP saves 1.31% of every 1% increase in the generic fill rate. Our members realize substantial savings as well. These savings for our members and PEEHIP, since 2005, are depicted in the Generic Fill Rate Savings Chart below.

The PEEHIP Express Scripts Prescription Drug Plan Generic Fill Rate (GFR) Savings

Year	GFR	Member Savings	Plan Savings
2004	46.5%		
2005	49.0%	\$1,811,641	\$7,607,668
2006	55.5%	\$5,682,096	\$22,900,610
2007	63.4%	\$10,808,303	\$31,476,205

Total Member Savings: \$18,302,040

Total Plan Savings: \$61,984,483

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Open Enrollment

The 2008-2009 Open Enrollment Packet will be mailed to all active and retired members by July 1, 2008. The Open Enrollment Packet includes forms that allow members to add new types of coverage, dependent coverage, change coverage types or begin combining allocations. The Open Enrollment period will **begin July 1, 2008, and end August 31, 2008**, for changes to be **effective October 1, 2008**. All open enrollment forms must be postmarked no later than August 31, 2008, for the PEEHIP office to accept the request. Members have until September 10, 2008, to make open enrollment changes electronically through the new and improved Member Online Services system.

If you do not wish to make changes to your PEEHIP coverage, do not complete the open enrollment application. You will automatically remain enrolled in the same or existing plan(s). Your monthly premium will continue to be deducted from your paycheck.

Exception: Members who want to participate in the PEEHIP Flexible Spending Accounts, the Federal Poverty Level Premium Discount program and the PEEHIP CHIP plan are **required to re-enroll** each year. These three programs do not automatically renew each year without a new application.

If you do not make changes to your health insurance plans, your existing insurance coverage premium will continue to be deducted each month.

Success of the Zero Dollar Generic Copay Program-Proton Pump Inhibitor

The \$0 generic copayment program for the Proton Pump Inhibitor drug category has been extended for the entire plan year, October 1, 2007 – September 30, 2008. This program will save you money on your copayments and has reduced the drug costs to PEEHIP. If you or one of your dependents are using a proton pump inhibitor medication such as Nexium, Prevacid, Protonix, Aciphex or Zegerid within the past 130 days, you can save money on your copayments. If you and your doctor agree that you are able to switch to the therapeutically equivalent generic drug, Omeprazole, you can participate in this special program. Your doctor should write a prescription for Omeprazole. When a pharmacist processes the new Omeprazole prescription, the computer will automatically charge \$0 for your copayment for up to four months.

Since this program began, it has saved our members over \$300,000 in lower copayments and the PEEHIP plan has saved over \$870,000 in lower drug costs. This \$0 generic copayment program will also be applied to other categories of prescription drugs covered under the PEEHIP Express Scripts prescription drug program in the near future. Members who qualify for the \$0 copay program based upon their claim history will receive a letter in the mail from Express Scripts.

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